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**KWAW-KWAW-APILT FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The consolidated financial statements of Kwaw-kwaw-Apilt First Nation have been prepared in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, Manning Elliott LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to the financial management of the Kwaw-kwaw-Apilt First Nation and we meet when required. The accompanying Independent Auditors' Report reiterates management's responsibility for the financial statements, outlines the auditors' responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Kwaw-kwaw-Apilt First Nation:



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Chilliwack, BC  
August 23, 2023

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## INDEPENDENT AUDITORS' REPORT

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To the Members of Kwaw-kwaw-Apilt First Nation

### *Report on the Consolidated Financial Statements*

#### *Opinion*

We have audited the consolidated financial statements of Kwaw-kwaw-Apilt First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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## INDEPENDENT AUDITORS' REPORT

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

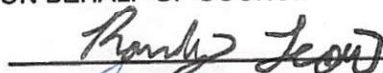
*Manning Elliott LLP*


MANNING ELLIOTT LLP  
Chartered Professional Accountants  
Abbotsford, British Columbia  
August 23, 2023.

**KWAW-KWAW-APILT FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash	\$ 5,591,291	\$ 12,901,798
Accounts receivable	97,591	65,320
Property taxes receivable	46,099	50,527
Investments in government business enterprises (Note 2)	60,514,739	446,403
Ottawa Trust Funds (Note 3)	14,966	14,879
	66,264,686	13,478,927
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	2,441,460	2,462,590
Deferred revenue	60,000,000	-
Long term debt (Note 4)	2,185,230	190,153
	64,626,690	2,652,743
<b>NET FINANCIAL ASSETS</b>	1,637,996	10,826,184
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 5)	10,450,063	3,141,639
Prepaid expenses and deposits	2,750	8,951
	10,452,813	3,150,590
<b>ACCUMULATED SURPLUS</b>	\$ 14,090,809	\$ 13,976,773
<b>COMMITMENTS (Note 6)</b>		

ON BEHALF OF COUNCIL

 Chief

 Councillor

**KWAW-KWAW-APILT FIRST NATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	Budget 2023	2023	2022
<b>REVENUE</b>			
Indigenous Services Canada	\$ 449,800	\$ 761,208	\$ 1,181,830
Interest and other revenue	249,235	354,829	11,109,298
First Nations Gaming Revenue Sharing LP	-	347,867	147,818
Property tax revenue (Note 7)	291,115	238,357	229,686
First Nations Goods and Services Tax	240,985	245,425	222,423
Net income from government business enterprises (Note 2)	-	67,336	91,172
Seabird Island Band	43,125	84,372	86,872
Province of British Columbia			
Forest Consultation and Revenue Sharing Agreement	35,000	63,246	35,000
Ministry of Children and Family Development	-	30,000	30,000
	1,309,260	2,192,640	13,134,099
<b>EXPENSES (Note 8)</b>			
Community Operations	1,249,144	1,870,202	1,661,318
Tangible Capital Assets	-	208,402	106,505
	1,249,144	2,078,604	1,767,823
<b>ANNUAL SURPLUS FOR THE YEAR</b>	<b>60,116</b>	<b>114,036</b>	<b>11,366,276</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>13,976,773</b>	<b>13,976,773</b>	<b>2,610,497</b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 14,036,889</b>	<b>\$ 14,090,809</b>	<b>\$ 13,976,773</b>

**KWAW-KWAW-APILT FIRST NATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
ANNUAL SURPLUS FOR THE YEAR	\$ 114,036	\$ 11,366,276
Acquisition of tangible capital assets	(7,465,655)	(2,385,020)
Amortization of tangible capital assets	157,042	106,505
Proceeds on disposal of tangible capital assets	189	-
Acquisition of prepaid expenses	(2,750)	(5,449)
Use of prepaid expenses	8,950	16,213
	(7,302,224)	(2,267,751)
CHANGES IN NET FINANCIAL ASSETS	(7,188,188)	9,098,525
NET FINANCIAL ASSETS - BEGINNING OF YEAR	10,826,184	1,727,659
NET FINANCIAL ASSETS - END OF YEAR	\$ 3,637,996	\$ 10,826,184

**KWAW-KWAW-APILT FIRST NATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	\$ 114,036	\$ 11,366,276
Items not affecting cash:		
Amortization of tangible capital assets	157,042	106,505
Net income from government business enterprises	(67,336)	(91,172)
	203,742	11,381,609
Changes in non-cash working capital:		
Accounts receivable	(32,271)	(25,820)
Property taxes receivable	4,428	(2,380)
Prepaid expenses and deposits	6,201	10,763
Accounts payable and accrued liabilities	(2,021,130)	2,354,769
Deferred revenue	60,000,000	(166,858)
	57,957,228	2,170,474
	58,160,970	13,552,083
<b>CAPITAL AND INVESTING ACTIVITIES</b>		
Acquisition of tangible capital assets	(7,465,655)	(2,385,020)
Proceeds on disposal of tangible capital assets	189	-
Acquisition in government business enterprises	(60,001,000)	-
Ottawa Trust Funds	(87)	19
	(67,466,553)	(2,385,001)
<b>FINANCING ACTIVITIES</b>		
Prior period loan recognized into income - IR 8 Claim	-	(12,250)
Proceeds from long term debt	2,000,000	200,000
Repayment of long term debt	(4,924)	(9,846)
	1,995,076	177,904
<b>INCREASE (DECREASE) IN CASH</b>	<b>(7,310,507)</b>	<b>11,344,986</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>12,901,798</b>	<b>1,556,812</b>
<b>CASH - END OF YEAR</b>	<b>\$ 5,591,291</b>	<b>\$ 12,901,798</b>



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**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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**NATURE OF OPERATIONS**

Kwaw-kwaw-Apilt First Nation (the "First Nation") is a band government of the Stó:lo people located in the Fraser Valley region near the City of Chilliwack in the Province of British Columbia. The First Nation is a member government of the Stó:lo Tribal Council.

The First Nation includes its members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements were prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants and include the following significant accounting policies:

Reporting entity

The consolidated financial statements reflect the financial activities of all entities and departments comprising the First Nation reporting entity, except for the First Nation's business entities.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

Organizations accounted for on a modified equity basis include:

- Centre Creek Limited Partnership
- Ch-ihl-kway-uhk Forestry Limited Partnership
- Ch-ihl-kway-uhk Tribe Society

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses and deposits.

Cash

Cash includes balances held with financial institutions at year-end.

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**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Recreational vehicle	30%
Mobile homes	30%
Equipment	20%

Capital projects in progress are tangible capital assets acquired during the year but not placed into use. These assets are not amortized until placed into use.

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purposes specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Investments in Government Business Enterprises

The First Nation uses the modified equity method to account for its investments in various business entities whereby acquisition costs are increased by the First Nation's proportionate share of post-acquisition earnings and decreased by post-acquisition losses and distributions received.

Other revenue

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

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1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Accounts receivable, and amounts due from related entities and departments, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**2. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES**

The First Nation has investments in the following entities:

	Ownership %	2023	2022
Centre Creek Limited Partnership	11.00	\$ 173,960	\$ 170,584
Ch-Ihl-Kway-Uhk Forestry Limited Partnership	12.36	240,742	191,849
Ch-Ihl-Kway-Uhk Tribe Society	11.11	99,037	83,970
Kwaw-Kwaw-Apilt Development LP	100.00	60,001,000	-
		<b>\$ 60,514,739</b>	<b>\$ 446,403</b>

Centre Creek Limited Partnership is in the business of purchasing or otherwise acquiring real and personal property of all kinds located within the Chilliwack River Valley, British Columbia. The partnership is also responsible for managing the acquired properties.

Ch-Ihl-Kway-Uhk Forestry Limited Partnership is in the business of developing, operating and participating in various forestry activities in and around Chilliwack, British Columbia.

Ch-Ihl-Kway-Uhk Tribe Society operates property rental and management activities.

The First Nation is wholly invested in Kwaw-kwaw-Apilt Development GP Ltd. and holds 10,000 Class B units in Kwaw-Kwaw-Apilt Development Limited Partnership. Both investments are held for the purposes of participating in the development of lands for residential and commercial use. During the year the First Nation signed an agreement to lease lands for a period of 150 years. The value of this agreement is \$60,000,000 and settled via transfer of the rights to the leased land to the Partnership with a corresponding increase to the capital account of Kwaw-Kwaw-Apilt Development LP. The deferred revenue will be recognized in income over the term of the lease.

The First Nation is wholly invested in 1309367 B.C. Ltd. and holds 10,000 Class B units in Kwaw-Kwaw-Apilt Pipeline Limited Partnership. Both investments are held for the purposes of participating in the Western Indigenous Pipeline Group. As at March 31, 2023 these investments have not been recorded in the financial records nor has there been any activity in either entity.

The First Nation is wholly invested in Kwaw-kwaw-Apilt Framing Ltd. and holds 10,000 Class B units in Kwaw-kwaw-Apilt Framing Limited Partnership. Both investments are held for the purposes of participating in the construction business and all ancillary activities. As at March 31, 2023 these investments have not been recorded in the financial records nor has there been any activity in either entity.

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**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

2. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

	Centre Creek Limited Partnership	Ch-Ihl-Kway- Uhk Forestry Limited Partnership	Ch-Ihl-Kway- Uhk Tribe Society	2023	2022
Current assets	\$ 25,437	\$ 2,108,823	\$ 761,597	\$ <b>2,895,857</b>	\$ 2,328,079
Capital assets	2,295,206	-	19	<b>2,295,225</b>	2,314,531
Advances to related party	-	-	335,010	<b>335,010</b>	315,010
Total assets	\$ 2,320,643	\$ 2,108,823	\$ 1,096,626	\$ <b>5,526,092</b>	\$ 4,957,620
Current liabilities	\$ 79,321	\$ 117,184	\$ 205,285	\$ <b>401,790</b>	\$ 415,203
Advances from related parties	736,817	-	-	<b>736,817</b>	716,817
Total liabilities	816,138	117,184	205,285	<b>1,138,607</b>	1,132,020
Equity	1,504,505	1,991,639	891,341	<b>4,387,485</b>	3,825,600
Total liabilities and equity	\$ 2,320,643	\$ 2,108,823	\$ 1,096,626	\$ <b>5,526,092</b>	\$ 4,957,620
Revenue	\$ 126,000	\$ 897,760	\$ 165,117	\$ <b>1,188,877</b>	\$ 1,633,848
Expenses	95,312	502,171	29,510	<b>626,993</b>	881,786
Net income (loss)	\$ 30,688	\$ 395,589	\$ 135,607	\$ <b>561,884</b>	\$ 752,062
First Nation's share of net income	\$ 3,376	\$ 48,893	\$ 15,067	\$ <b>67,336</b>	\$ 91,172

3. OTTAWA TRUST FUNDS

	2022	Additions	Withdrawals	2023
Revenue	\$ 257	\$ 564	\$ 477	\$ 344
Capital	14,622	-	-	14,622
	\$ 14,879	\$ 564	\$ 477	\$ 14,966

The Ottawa Trust Funds relate to capital or revenue sources outlined in Section 62 of the Indian Act. These funds are held in trust in the consolidated revenue fund of the Government of Canada and are subject to audit by the office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

4. LONG TERM DEBT

	2023	2022
Royal Bank of Canada term loan, bearing interest at the lender's prime rate plus 0.5% per annum, repayable in monthly blended payments of \$1,521, matures April 2024.	\$ 185,230	\$ 190,153
Band member with Certificate of Possession for the purchase of Lot 124, payable out of profits received on the development of Lot 124 on a priority and preferred basis no later than August 16, 2027 and bears interest at the Royal Bank of Canada Prime rate.	2,000,000	-
	<b>\$ 2,185,230</b>	<b>\$ 190,153</b>

Included in interest and bank charges (Note 8) is \$10,496 in interest on long term debt (2022 - \$5,573).

Principal repayment terms are approximately:

2024	\$ 18,250
2025	166,980
2027	2,000,000
	<u>\$ 2,185,230</u>

**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

5. TANGIBLE CAPITAL ASSETS

Cost	2022 Balance	Additions	Disposals	2023 Balance
Land	\$ 2,215,023	\$ 6,192,610	\$ -	\$ 8,407,633
Recreational vehicle	41,302	-	-	41,302
Mobile homes	900,143	-	-	900,143
Equipment	78,688	96,317	-	175,005
Capital projects in progress	413,503	1,176,728	189	1,590,042
	\$ 3,648,659	\$ 7,465,655	\$ 189	\$ 11,114,125

Accumulated Amortization	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Land	\$ -	\$ -	\$ -	\$ -
Recreational vehicle	39,858	433	-	40,291
Mobile homes	450,815	134,798	-	585,613
Equipment	16,347	21,811	-	38,158
Capital projects in progress	-	-	-	-
	\$ 507,020	\$ 157,042	\$ -	\$ 664,062

Net book value	2023	2022
Land	\$ 8,407,633	\$ 2,215,023
Recreational vehicle	1,011	1,444
Mobile homes	314,530	449,328
Equipment	136,847	62,341
Capital projects in progress	1,590,042	413,503
	\$ 10,450,063	\$ 3,141,639

6. COMMITMENTS

The First Nation has entered into an agreement with Aboriginal Financial Consulting to provide services as Lands Director. The contract expires on March 31, 2025.

The minimum payment schedule is as follows:

2024	\$ 60,000
2025	60,000
	<u>\$ 120,000</u>

**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**7. PROPERTY TAX REVENUE**

The First Nations Fiscal Management Act ("the Act") allows the First Nation to implement a property taxation regime. The First Nation is required under subsection 14(1) of the Act to account for, and report on, their local revenues, separately from other revenue sources of the First Nation. The following note disclosure is intended to report on the local revenues and expenditures that are directly attributable to property taxation and amounts that are allocated on a reasonable basis. The accounting policies used are consistent with those followed in the preparation of these financial statements.

Statement of local revenues and expenditures

	Budget	2023	2022
Part 1: Revenues			
Property taxation	\$ 291,115	\$ 238,357	\$ 229,686
Tax search fees	-	1,050	800
Penalty fees	-	171	350
Interest income	300	1,313	192
	291,415	240,891	231,028
Part 2: Expenditures			
Community Development	5,712	5,649	27,244
Environmental Health Services	68,669	66,809	36,793
General Government	79,800	72,987	43,787
Protection Services	55,203	23,737	53,539
Recreation and Cultural Services	32,499	32,139	31,519
Transportation	29,176	28,853	28,296
Contingency	4,000	-	-
	275,059	230,174	221,178
Excess of revenues over expenditures	\$ 16,356	\$ 10,717	\$ 9,850



**KWAW-KWAW-APILT FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

8. EXPENSES BY OBJECT

	Budget	2023	2022
Administration	\$ 269,418	\$ 668,833	\$ 465,541
Amortization	-	157,042	106,505
Economic development	-	-	8,250
Honoraria	39,000	39,000	29,887
Insurance	15,000	31,147	14,257
Interest and bank charges	11,400	16,185	10,351
Office and miscellaneous	23,847	18,096	6,465
Professional fees	237,000	203,255	112,280
Project and grant expenses	-	289,563	515,337
Protection services	55,203	23,737	53,539
Repairs and maintenance	45,000	47,974	15,808
Telephone	16,350	13,751	14,506
Travel	48,176	71,315	40,801
Utilities	87,169	92,248	55,307
Wages and benefits	401,581	406,458	318,989
	\$ 1,249,144	\$ 2,078,604	\$ 1,767,823

9. BANK INDEBTEDNESS

The First Nation has available a revolving demand facility with the Royal Bank of Canada (the "lender") authorized to a maximum of \$50,000 bearing interest at the lender's prime rate plus 0.5% per annum. As at March 31, 2023 the credit remaining under this facility is \$50,000 (2022 - \$50,000).

The First Nation has available a credit card authorized to a maximum of \$25,000. As at March 31, 2023 the credit remaining under this facility is \$25,000 (2022 - \$25,000).

10. SEGMENTED INFORMATION

The Kwantlen First Nation is a government institution that provides a range of programs and services to its members, including community operations, government business enterprises, capital projects, and tangible capital assets. For management reporting purposes, the First Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

First Nation services are provided for departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information.

(continues)

**KWAW-KWAW-APILT FIRST NATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

**10. SEGMENTED INFORMATION (continued)**

	<b>Community Operations</b>	<b>Government Business Enterprises</b>	<b>Tangible Capital Assets</b>	<b>Tangible Capital Asset Fund</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>						
Federal Government	\$ 761,772	\$ -	\$ -	\$ -	\$ 761,772	\$ 1,182,222
Provincial Government	441,113	-	-	-	441,113	212,818
Other	902,419	67,336	20,000	-	989,755	11,739,059
	<u>2,105,304</u>	<u>67,336</u>	<u>20,000</u>	<u>-</u>	<u>2,192,640</u>	<u>13,134,099</u>
<b>EXPENSES</b>						
Amortization	-	-	157,042	-	157,042	106,505
Other	1,463,744	-	51,360	-	1,515,104	1,342,329
Wages and benefits	406,458	-	-	-	406,458	318,989
	<u>1,870,202</u>	<u>-</u>	<u>208,402</u>	<u>-</u>	<u>2,078,604</u>	<u>1,767,823</u>
Annual Surplus (Deficit)	235,102	67,336	(188,402)	-	114,036	11,366,276
Transfer between funds	2,090,745	(332,108)	11,170,648	(12,929,285)	-	-
Accumulated Surplus - Beginning of year	196,781	446,403	-	13,333,589	13,976,773	2,610,497
Accumulated Surplus - End of year	<u>\$ 2,522,628</u>	<u>\$ 181,631</u>	<u>\$ 10,982,246</u>	<u>\$ 404,304</u>	<u>\$ 14,090,809</u>	<u>\$ 13,976,773</u>